

STATE BOARD OF EQUALIZATION

020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-4982



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No. 79/135

August 7, 1979

TO COUNTY ASSESSORS:

TAXPAYER UNDERREPORTING

One county informs us that Atlantic Richfield Company has underreported certain equipment costs incurred in converting service stations into mini marts and fast snack travel centers. Apparently the company has expensed rather than capitalized such items as counters, freezers, shelves, and cash registers.

After questioning by the assessor's staff the company then reported items costing \$6,000 for their mini mart conversion and \$10,000 for the fast snack travel center conversion.

We would suggest that you review Atlantic Richfield's service station records for possible service station conversions and possible underreporting in your county.

Contact Bud Florence of this division if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Verne Walton", is written above the typed name.

Verne Walton, Chief
Assessment Standards Division

VW:jg